



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 25, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 25, 2018:

SB 1437 elections; equipment; amendments (Burgess)
SB 1449 schools; statewide assessment contracts; review (Allen, S)
HB 2003 coal mining; TPT; repeal (Finchem)
HB 2020 sexual assault; harassment; confidentiality agreements (Syms)
HB 2166 vehicle fees; alternative fuel VLT (Campbell)
HB 2283 definition; defenses; sexual offenses (Kern)
HB 2563 postsecondary institutions; free expression policies (Boyer)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 265
HOUSE BILL 2166

AN ACT

AMENDING TITLE 28, CHAPTER 7, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 28-2007; AMENDING SECTIONS 28-5805 AND 41-1752, ARIZONA
REVISED STATUTES; RELATING TO THE VEHICLE LICENSE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 28, chapter 7, article 1, Arizona Revised Statutes, is amended by adding section 28-2007, to read:

28-2007. Highway safety fee; rulemaking exemption

A. AT THE TIME OF APPLICATION FOR AND BEFORE REGISTRATION EACH YEAR OF A VEHICLE, THE REGISTERING OFFICER SHALL COLLECT A HIGHWAY SAFETY FEE IN AN AMOUNT TO BE DETERMINED BY THE DIRECTOR ANNUALLY FOR EACH FISCAL YEAR. THE DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, ALL MONIES COLLECTED PURSUANT TO THIS SECTION IN THE ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY SECTION 41-1752. THE HIGHWAY SAFETY FEE SHALL FULLY FUND ONE HUNDRED TEN PERCENT OF THE DEPARTMENT OF PUBLIC SAFETY HIGHWAY PATROL BUDGET FOR EACH FISCAL YEAR LESS ANY PRIOR UNENCUMBERED BALANCE IN THE ARIZONA HIGHWAY PATROL FUND ESTABLISHED BY SECTION 41-1752 THAT EXCEEDS TEN PERCENT OF THE PRIOR YEAR'S DEPOSITS OF HIGHWAY SAFETY FEE MONIES PURSUANT TO THIS SECTION.

B. THE DEPARTMENT IS EXEMPT FROM THE RULEMAKING REQUIREMENTS OF TITLE 41, CHAPTER 6 FOR THE PURPOSE OF DETERMINING THE HIGHWAY SAFETY FEE PURSUANT TO THIS SECTION.

Sec. 2. Section 28-5805, Arizona Revised Statutes, is amended to read:

28-5805. Motor vehicle powered by alternative fuel;
classification; vehicle license tax; definitions

A. A separate classification of motor vehicles is established for purposes of taxation pursuant to article IX, section 11, Constitution of Arizona, that consists of motor vehicles that are powered by alternative fuel and for which the department issues an alternative fuel vehicle special plate or sticker pursuant to section 28-2416.

B. Notwithstanding section 28-5801, the registering officer shall collect at the time of application for and before registration of the motor vehicle that is classified under this section an annual license tax of four dollars for each one hundred dollars in value. ~~During the first twelve months of the life of the motor vehicle as determined by its initial registration,~~ THE MOTOR VEHICLE VALUE IS DETERMINED AS FOLLOWS:

1. FOR A MOTOR VEHICLE THAT IS PURCHASED BEFORE JANUARY 1, 2020, the value OF THE MOTOR VEHICLE is ~~one per cent~~ A PERCENTAGE SET BY THE DIRECTOR of the manufacturer's base retail price of the motor vehicle. ~~During each succeeding twelve month period~~ AFTER THE FIRST TWELVE MONTHS OF THE LIFE OF THE MOTOR VEHICLE AS DETERMINED BY ITS INITIAL REGISTRATION, the value of the motor vehicle is fifteen ~~per cent~~ PERCENT less FOR EACH TWELVE-MONTH PERIOD than the ~~value of the preceding twelve month period~~ MANUFACTURER'S BASE RETAIL PRICE OF THE MOTOR VEHICLE.

2. FOR A MOTOR VEHICLE THAT IS TEN THOUSAND POUNDS OR LESS GROSS VEHICLE WEIGHT AND THAT IS PURCHASED ON OR AFTER JANUARY 1, 2020, DURING THE FIRST TWELVE MONTHS OF THE LIFE OF THE MOTOR VEHICLE AS DETERMINED BY ITS INITIAL REGISTRATION, THE VALUE OF THE MOTOR VEHICLE IS THIRTY PERCENT

1 OF THE MANUFACTURER'S BASE RETAIL PRICE OF THE MOTOR VEHICLE. DURING EACH
2 SUCCEEDING TWELVE-MONTH PERIOD, THE VALUE OF THE MOTOR VEHICLE IS FIFTEEN
3 PERCENT LESS THAN THE VALUE FOR THE PRECEDING TWELVE-MONTH PERIOD.

4 C. The minimum amount of the license tax computed under this
5 section is five dollars per year for each motor vehicle subject to the
6 tax.

7 D. Except as specifically provided in this section, the vehicle
8 license tax on a motor vehicle classified under this section is governed
9 by this article.

10 E. THE VEHICLE LICENSE TAX ON A MOTOR VEHICLE THAT EXCEEDS TEN
11 THOUSAND POUNDS GROSS VEHICLE WEIGHT, THAT IS POWERED BY ALTERNATIVE FUEL
12 AND THAT IS PURCHASED ON OR AFTER JANUARY 1, 2020 IS COLLECTED PURSUANT TO
13 SECTION 28-5801.

14 ~~E.~~ F. For purposes of this section:

15 1. "Alternative fuel" has the same meaning prescribed in section
16 1-215.

17 2. "Motor vehicle" means a vehicle that meets the safety standards
18 of the national highway traffic safety administration and includes
19 neighborhood electric vehicles that meet the standards prescribed in 49
20 Code of Federal Regulations section 571.500, except that, if a vehicle is
21 designed to be operated at speeds of twenty miles per hour or less, the
22 vehicle is not required to have a seventeen digit vehicle identification
23 number.

24 Sec. 3. Section 41-1752, Arizona Revised Statutes, is amended to
25 read:

26 41-1752. Arizona highway patrol fund

27 A. An Arizona highway patrol fund is established.

28 B. The Arizona highway patrol fund consists of:

29 1. Monies distributed to the fund from the Arizona highway user
30 revenue fund by the legislature subject to section 28-6537.

31 2. Miscellaneous service fees.

32 3. Rewards.

33 4. Awards.

34 5. Insurance recoveries.

35 6. Receipts from the sale or disposal of any property held by the
36 Arizona highway patrol or purchased with Arizona highway patrol monies.

37 7. Monies received from the public safety personnel retirement
38 system pursuant to section 20-224.01.

39 8. Monies deposited pursuant to section 28-3513.

40 9. MONIES DEPOSITED PURSUANT TO SECTION 28-2007.

41 C. Subject to legislative appropriation, the patrol superintendent
42 shall administer and spend monies in the Arizona highway patrol fund in
43 conformity with the laws governing state financial operations.

44 D. Monies in the Arizona highway patrol fund:

1 1. Do not revert to the state general fund or Arizona highway user
2 revenue fund.

3 2. Are exempt from the provisions of section 35-190 relating to
4 lapsing of appropriations.

5 E. Subject to legislative appropriation, monies in the Arizona
6 highway patrol fund shall be used to administer the provisions of law
7 relating to the highway patrol and the Arizona highway patrol reserve and
8 all matters pertaining to those laws, except that monies received pursuant
9 to subsection B, paragraph 7 of this section shall be used for the
10 department of public safety.

11 Sec. 4. Effective date

12 Section 28-5805, Arizona Revised Statutes, as amended by this act,
13 is effective from and after December 31, 2019.

14 Sec. 5. Legislative intent

15 It is the intent of the legislature that, for the purposes of
16 collecting the vehicle license tax pursuant to section 28-5805, Arizona
17 Revised Statutes, as amended by this act, the director of the department
18 of transportation set the value of a vehicle that is powered by
19 alternative fuel at no more than ten percent of the manufacturer's base
20 retail price of the vehicle.

APPROVED BY THE GOVERNOR APRIL 25, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2018

Passed the House February 20, 20 18

by the following vote: 35 Ayes,

24 Nays, 1 Not Voting

[Signature]
Speaker of the House

☐ Pro Tempore

[Signature]
Chief Clerk of the House

Passed the Senate April 23, 20 18

by the following vote: 17 Ayes,

13 Nays, 0 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

24th day of April, 20 18

at 8:51 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 25th day of

April 2018

at 3:35 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 25 day of April, 20 18

at 5:37 o'clock P. M.

[Signature]
Secretary of State

H.B. 2166